AUDITED FINANCIAL STATEMENTS OF THE INTEGRITY COMMISSION

FOR THE YEAR ENDED 31 DECEMBER 2015

AUDITORS: THE AUDIT OFFICE OF GUYANA
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

AUDIT OF THE FINANCIAL STATEMENTS OF THE INTEGRITY COMMISSSION FOR THE YEAR ENDING 31 DECEMBER 2015

TABLE OF CONTENTS

Audit Office of Guyana
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141/OA: 22/2/2019 3 May 2019

Ms. Amanda Jaisingh
Chief Executive Officer
Integrity Commission
66 Peter Rose & Anira Streets
Queenstown
Georgetown.

Dear Ms. Jaisingh,

AUDIT OF THE FINANCIAL STATEMENTS OF THE
INTEGRITY COMMISSION
FOR THE YEAR ENDING 31 DECEMBER 2015

We wish to inform you that the audit of the above-mentioned Commission has been completed. Accordingly, we are pleased to forward two copies of the audited financial statements, together with the Report of the Auditor General and Management Letter thereon.

Should you need any clarification or explanations, please do not hesitate to let us know.

With kind regards.

Yours sincerely,

AUDIT OFFICE ★ GUYANA ★

Michelle Singh
Audit Manager (ag)
for Auditor General

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AG: 49/2019 3 May 2019

REPORT OF THE AUDITOR GENERAL TO THE MEMBERS OF THE COMMISSION OF THE INTEGRITY COMMISSION ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

I have audited the accompanying financial statements of the Integrity Commission, which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

The amount of ($221,973) was reported as Suspense Account as at 31 December, 2015. The suspense account was created due to improper record keeping, irregularities and misappropriation of funds prior to the year 2008. However, during the current year under review, this account reduced by ($991,664) a movement which has not been justified with any evidence or basis for the reduction in the suspense account. As a result, one or more accounts will be either under or overstated.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements presents fairly, in all material respects, the financial position of the Integrity Commission as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards. (IFRS)

D. SHARMA
AUDITOR GENERAL

AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

INTEGRITY COMMISSION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Notes	2015	2014
ASSETS			$
NON CURRENT ASSETS			
Property, Plant & Equipment	4	1,241,009	1,795,169
		1,241,009	**1,795,169**
CURRENT ASSETS			
Prepayments		23,200	793,927
Cash & Cash Equivalents	5	-	124,814
		23,200	**918,741**
TOTAL ASSETS		**1,264,209**	**2,713,910**
EQUITY AND LIABILITIES			
EQUITY			
Government Contribution	6	504,629	997,809
Accumulated Deficit		-1,252,390	-1,287,533
Revaluation		2,233,943	2,233,943
Suspense Account		-221,973	769,691
TOTAL EQUITY & LIABILITIES		**1,264,209**	**2,713,910**

These financial statements were approved for issuance on the .....

Amanda Jaisingh

Amanda Jaisingh

Secretary

ABENA MOORE
Permanent Secretary
Ministry of the Presidency

Abena Moore

Permanent Secretary

INTEGRITY COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015	2014
		$	$
INCOME			
Government Subvention - Current	7	17,185,468	17,122,000
Deferred Income		493,180	505,842
Other Income		435,143	-
TOTAL INCOME		**18,113,791**	**17,627,842**
EXPENDITURE			
Administrative Expenses	8	14,709,748	14,431,177
Other Expenses	9	2,278,673	1,816,336
Utility Charges	10	597,047	1,182,860
Depreciation		493,180	505,842
TOTAL EXPENDITURE		**18,078,648**	**17,936,215**
Net Surplus/(Deficit) for the Year		**35,143**	**(308,373)**

INTEGRITY COMMISSION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

2014

	Government Contribution	Accumulated Surplus/Deficit	Revalution Reserve	Suspense Account	Total
	$	$	$	$	$
Balance as at January 1, 2014	997,809	(979,160)	1,776,043	1,468,898	3,263,590
Government Contribution	-		-	-	-
Net Profit/(Loss)	-	(308,373)	-	-	(308,373)
Revaluation of Fixed Assets	-	-	457,900	-	457,900
Suspense Account		-		(699,207)	(699,207)
Balance as at December 31, 2014	**997,809**	**(1,287,533)**	**2,233,943**	**769,691**	**2,713,910**

2015

	Government Contribution	Accumulated Surplus/Deficit	Revalution Reserve	Suspense Account	Total
	$	$	$	$	$
Balance as at January1, 2015	**997,809**	**(1,287,533)**	**2,233,943**	**769,691**	2,713,910
Government Contribution	**(493,180)**				(493,180)
Net Profit/(Loss)		35,143			35,143
Revaluation of Fixed Assets					-
Suspense Account				(991,664)	(991,664)
Balance as at December 31, 2015	**504,629**	**(1,252,390)**	**2,233,943**	**(221,973)**	**1,264,209**

INTEGRITY COMMISSION

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
Operating Activities		$
(Deficit)/Surplus for the year	35,143	(308,373)
Adjustments for :		
Disposal	64,480	
Depreciation	493,180	505,842
Operating Surplus/(Deficit) before changes in working capital	592,803	197,469
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Prepayments	770,727	432,787
Increase/(Decrease) in Payables	-	-
Increase/(Decrease) in Suspense Account	(991,664)	(699,207)
Net cashflow generated from Operating Activities	**371,866**	**(68,951)**
Investing Activities		
Purchase of Fixed Assets	(3,500)	-
Net cashflow generated from Investing Activities	**(3,500)**	**-**
Financing Activities		
Government Contribution	(493,180)	-
Revaluation	-	457,900
Net cashflow generated from Financing Activities	**(493,180)**	**457,900**
Net increase/(Decrease) in cash & cash equivalents	**(124,814)**	**388,949**
Cash and Cash Equivalents at the beginning of the year	124,814	-
Cash and Cash Equivalents at end of the year	-	**388,949**

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Note 1. Background

The Integrity Commission was established on the 24th September, 1997 and consist of a chairman and no less than two (2) nor more than four (4) other members. The chairman of the Commission shall be a person who is or who was qualified to be a Puisne Judge of the High Court or any other fit and proper person and the other members appearing to the President as having experience and show capacity in law, public administration, social service, finance or accountancy or any other discipline. The chairman and other members are appointed by the President after consultation with the minority Leader and they can either be full time or part time. The names of the chairman and other members upon the establishment of the Commission and any change in membership shall be published in the Gazette and in a daily newspaper. The Commission is also a body corporate.

The vision of the Commission is: "Improved public confidence in the integrity of holders of public office and the mission statement is: "Securing the integrity of persons in public life".The objective of the Commission is to secure the integrity of persons in public life through their compliance with the provisions of the Integrity Commission Act No. 20 of 1997. The Secretariat consists of a Secretary/Chief Executive Officer and six (6) staff members. The Commission had no members in 2015.

Note 2. Basis of Preparation:

These accounts have been prepared according to the Accrual Concept and follows the International Financial Reporting Standards principles and policies.

Note 3. Significant Accounting Principles & Policies:

Basis of Accounting:

These accounts have been prepared under the historical cost conventions as modified by the revaluations as assets, the assets obtained from the Office of the President were valued at the current market prices as at 1st January, 2000.

Fixed Assets:

Depreciation is provided using fixed percentage on the straight line method at the following rates:-

Furniture & Fixtures	12.5%
Office Equipment	20%

Note 4. Property, Plant & Equipment

Description	Furniture & Fixtures	Office Equipment	Total
	$	$	$
Costs as at 01 January, 2015	**457,900**	**2,243,021**	**2,700,921**
Revaluation	0	0	0
Additions	0	3,500	3,500
Disposal	0	-64,480	-64,480
Cost as at 31 December, 2015	**457,900**	**2,182,041**	**2,639,941**
Accumulated Depreciation as 1 January, 2015	**57,238**	**848,514**	**905,752**
Depreciation charge for the year	57,238	435,942	493,180
Disposal	0	0	0
Accumulated Depreciation as 31 December, 2015	**114,476**	**1,284,456**	**1,398,932**
Carrying Amount as at 31 December, 2014	**400,662**	**1,394,507**	**1,795,169**
Carrying Amount as at 31 December, 2015	**343,424**	**897,585**	**1,241,009**

NOTE 5. CASH & CASH EQUIVALENTS

Description	2015 $	2014 $
Cash in Hand	0	-
Cash in Bank	0	124,814
Closing balance	**0**	**124,814**

NOTE 6. GOVERNMENT CONTRIBUTION

Description	2015 $	2014 $
Opening balance	997,809	997,809
Received for the year	-	-
Refund to unspent balance to OP	-	-
Deferred Income	(493,180)	-
Closing balance	**504,629**	**997,809**

NOTE 7. GOVERNMENT SUBVENTION:

The Commission received subvention totaling $17,185,468 from the Government of Guyana for the period January 2015 to December 2015.

The Commission ntilises the IAS 20 Accounting for Government Grant for calculation of Government's Contributions .

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139/OA: 22/2/2019

3 May 2019

Ms. Amanda Jaisingh
Chief Executive Officer
Integrity Commission
66 Peter Rose & Anira Streets
Queenstown
Georgetown.

Dear Ms. Jaisingh,

AUDIT OF THE FINANCIAL STATEMENTS OF
THE INTEGRITY COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2015

Following the audit of the financial statements of the Integrity Commission, for the year ended 31 December 2015, the findings hereunder were discussed with the accounting personnel within your organization and are now referred to you for appropriate action.

2. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and the International Standards on Auditing (IAS), issued by the International Federation of Accountants (IFAC) and the Audit Act 2004. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

3. The main purpose of the audit was to express an opinion on the financial statements and evaluate the operations of Commission to ascertain whether:

(i) The financial statements have been properly prepared, in accordance with applicable law, and properly present the operations and affairs of the Commission;

(ii) The accounts have been faithfully and properly kept;

(iii) The rules, procedures and internal management controls are sufficient to secure effective control on the assessment, collection, and proper allocation of revenue;

(iv) All monies expended and charged to an account have been applied to the purpose or purposes for which they were intended; and

(v) Essential records were maintained, and the internal management controls and rules and procedures established and applied were sufficient to safeguard the control of stores and other property.

FINDINGS AND RECOMMENDATIONS

A. STATEMENT OF FINANCIAL POSITION

Suspense Account- ($221,973)

4. The amount of ($221,973) was reported as Suspense Account as at 31 December, 2015. The suspense account was created due to improper record keeping, irregularities and misappropriation of funds prior to the year 2008. However, during the current year under review, this account reduced by ($991,664) a movement which has not been justified with any evidence or basis for the reduction in the suspense account. As a result, one or more accounts will be either under or over stated.

Management's response: Management acknowledges this short coming and explained that this is due to improper record keeping, irregularities and misappropriation of funds prior to 2008. To review prior year records to determine the source of the suspense account.

Recommendation: The Audit Office recommends that Management of the Commission investigate and or provide sufficient documentation to support the basis for this movement in account.

B. STATEMENT OF COMPREHENSIVE INCOME

Administrative Expenses - $14,709,748

5. Audit examinations revealed that the Commission had two resignations for the year under review. However, an examination of their personal files revealed that those officers proceeded on their Annual Leave before their effective date of resignation and were not paid amounts totalling $30,152 in the last month worked. See Appendix I.

Management's response: Management acknowledges this oversight and the necessary action will be taken to correct this mistake.

Recommendation: The Audit Office recommends that Management of the Commission pay the correct salaries to employees.

C. REGULATION

6. In keeping with Part II Section 3 (1 to 7) of the Integrity Commission Act No. 20 of 1997 "The Commission shall consist of a chairman and not less than two or more than four members...appointed by the President after consultations with the Minority Leader". However, it should be noted that during the audit in the year 2018 the chairman and two members were sworn in after being appointed by the President of Guyana. As a result, the operation of the Integrity Commission is now in compliance with the Act established for the governing of the body.

Management's response: Management wish to inform that the members of the Commission were sworn in on the 22 February 2018 for a period of three (3) years. The members names are: Mr. Kumar Doraisami, Chairman and the two Commissioners are Mrs. Rosemary Benjamin-Noble and Pandit Rabindranauth Persaud.

D. GENERAL

7. The Audit Office wishes to express its gratitude for the co-operation given to the staff during the audit.

With kind regards.

Yours sincerely,

Michelle Singh
Audit Manager (ag)
for Auditor General

APPENDIX I

Instance where the two staff that resigned did not collect their full Annual Leave payment.

No.	Name of Officer	Designation	Date of Leave	Audit Recalculation						
				Basic Salary $	Gross Salary $	NIS $	P.A.Y.E $	Total Deductions $	Net Salary $	Last Month Seen on Payroll
01	Sheneeza Hassan	Typist Clerk	10.07.2015	50,781	16,381	917	-	917	15,464	June
02	Vidyantie Bacchus	Accounts Clerk	07.08.2015	75,250	16,989	951	1,350	2,301	14,688	July
Total				126,031	33,370	1,868	1,350	3,218	30,152	

NOTE 8. ADMINISTRATIVE EXPENSES

Description	2015 $	2014 $
Employment Costs	12,535,666	11,207,719
Stationery and Office Supplies	814,105	1,448,765
Travelling	27,080	38,820
Postages	25,000	144,041
Maintenance of Building, Office Equipment & Funiture & Fittings	1,089,641	1,346,947
Extermination Services	97,993	101,781
Refreshment and Meals	120,263	143,104
Total	**14,709,748**	**14,431,177**

The sum of $12,535,666 shown as Employment Costs includes amounts totalling $3,815,338 which were paid to two (2) key management employees for the year 2015 as follows:

Ms. Amanda Jaisingh - Secretary/C.E.O	3,067,096
Ms. Vidyantie Bacchus - Accounts Clerk	748,242
	3,815,338

NOTE 9. OTHER EXPENSES

Description	2015 $	2014 $
Miscellaneous	419,922	642,194
Bank charges	20,000	17,500
Refund of unspent balance to OP	1,838,751	1,156,642
Total	**2,278,673**	**1,816,336**

NOTE 10. UTILITY CHARGES

Description	2015 $	2014 $
Electricity	257,235	611,240
Telephone	193,220	326,620
Water	146,592	245,000
Total	**597,047**	**1,182,860**